

CONSUMER ADVISORY

April 2009

By Attorney General Tom Miller

Prevent Home Repair Scams and Disputes

Spring is coming, and home-improvement fraud won't be far behind. We see it every year. Home repair needs pile up over the winter, and everyone is eager to make improvements. Home-repair fraud is as common as the return of birds in spring.

Home-improvement fraud includes contractors who ask for substantial up-front payments, do little or no work, and never finish the job right. Other contractors offer a low price and then charge a lot more as the job progresses. Others are "fly-by-night" traveling scam-artists who "case" neighborhoods to try their paving or roofing scams.

Follow these tips to avoid being taken by home-repair scams and disputes:

1. Don't fall for the "knock-at-your-door" scam where someone shows up "out of the blue" and says your driveway needs repaving or your house needs new shingles – and they "just happen to have materials left over" at a big price discount. They are sure to take your money and run, without doing the job at all or doing it right.

2. Check out contractors before you sign a contract or pay any money. Request local *references* -- and check them out. Contact the Attorney General's Office to see if it has *complaints* (call 515-281-5926, or 888-777-4590.) Contact the Better Business Bureau (515-243-8137, or www.bbb.org.) Check to see if a contractor has been sued by unsatisfied customers -- go to www.iowacourts.state.ia.us.

3. Get several written estimates, choose the best, and get a contract in writing. Before any work begins, agree on a *written contract* detailing work to be done, responsibility for permits, costs, and any other promises. Ask for a copy of the contractor's liability insurance certificate. Put start and completion dates in writing, and consequences if the contractor fails to meet them. (Example: the contract could be nullified if the contractor doesn't start on time.) It usually is safer and a better deal to obtain financing through your local bank or credit union, rather than a contractor. Note, if you sign a contract at a place other than the contractor's regular place of business – such as at your home – you usually have three business days to cancel the contract.

4. Avoid paying large sums in advance. If you need to make a partial advance payment for materials, make your check out to the supplier *and* the contractor. Insist on a "mechanic's lien waiver" in case the contractor fails to pay others for materials or labor.

For more information or to file a complaint, contact the Attorney General's Consumer Protection Division, 1305 East Walnut Street, Des Moines, Iowa 50319. The web site is www.iowaAttorneyGeneral.org. Call 515-281-5926, or toll-free at 888-777-4590.